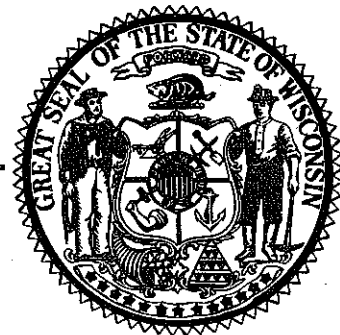


FRED A. RISSE
President
Wisconsin State Senate



February 23, 2010

Senator Jim Sullivan, Chair
Senate Committee on Veterans and Military Affairs, Biotechnology, and Financial Institutions
15 South, State Capitol
Madison, WI 53702

Dear Senator Sullivan,

Thank you for holding a hearing on SB 472, which I authored. Rep. David Cullen is the lead Assembly sponsor of this measure and has authored companion legislation in the Assembly.

The purpose of this bipartisan bill is to implement revisions to Article 1 of the Uniform Commercial Code. These revisions were promulgated by the National Conference of Commissioners of Uniform State Laws in 2001. Representative Cullen and I are both Uniform Law Commissioners.

Article 1 of the Uniform Commercial Code (UCC) provides definitions and general provisions which, in the absence of conflicting provisions, apply as default rules covering transactions and matters otherwise covered under a different article of the UCC. As other parts of the UCC have been revised and amended to accommodate changing business practices and development in the law, these modifications need to be reflected in an updated Article 1.

Since 2001, 38 states, including our neighboring states of Illinois, Minnesota and Iowa, have adopted the revisions to Article 1. Three other states in addition to Wisconsin have introduced this legislation during the 2009-10 session. Further, the Revised Article 1 has been endorsed by the American Bar Association and the Wisconsin State Bar.

Article 1 impacts every transaction governed by the UCC, including any sale of goods, any transfer of any negotiable instrument or check, any commercial electronic funds transfer, any letter of credit, any warehouse receipt or bill of lading, any transfer of an investment security, and any credit transaction in which a security interest is taken in specific collateral. It is truly the "hold together" article of the UCC, binding the other articles into one code. Therefore, it is very important to have it up-to-date and consistent with the rest of the UCC for smooth economic function in Wisconsin and the United States.

I appreciate your willingness to schedule this measure for a public hearing and I urge the committee to look favorably upon this important legislation. I have attached some supporting documentation from the Uniform Law Commission that provides greater detail about the history of Article 1 and the proposed revisions contained in SB 472.

Most Sincerely,


FRED A. RISSE
President
Wisconsin State Senate

FAR:tet

Cc: Senate Committee on Veterans and Military Affairs, Biotechnology, and Financial Institutions
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